NUEXCO

EXECUTIVE SUMMARY
REPORT 186
(All data as of January 31, 1984)

Exchange Value
$20.50, down $1.50

The **Exchange Value** is **$20.50** per pound U_3O_8, down $1.50 since last month. Five uranium sales transactions are reported, involving approximately 9.1 million pounds U_3O_8.

Supply-Demand Ratio
climbed to 8.3:1

Active spot and near-term **uranium supply** amounts to **4.2 million** pounds U_3O_8 *equivalent*, down 1.7 million pounds from last month. Active spot and near-term **uranium demand** totals **510 thousand** pounds, down 2 million pounds. The spot and near-term **supply-demand ratio rose to 8.3:1.**

Transaction Value
unchanged at $23.05

The **Transaction Value** is **$23.05** per pound U_3O_8, down $0.80 since last month. It includes 17 transactions involving a total of 2.9 million pounds U_3O_8 and equivalent UF_6 and covers a period of 7 months.

Loan Use Charge Rate
unchanged at 6%

The **Loan Use Charge Rate** remains 6 percent per annum.

Conversion Value
remained at $0.60

The **Conversion Value** is **$0.60** per pound U as UF_6, unchanged since last month. No conversion transactions are reported this month. Active secondary market supply of conversion services for delivery within three years totals 3.2 million pounds U as UF_6; active demand amounts to 330 thousand pounds. The conversion supply-demand ratio is 9.7 to 1.

SWU Values
$105 for DOE-origin (FY84)
$85 for non-DOE origin
(delivery within 15 months)

The **SWU Values** are **$105** per SWU of DOE origin and **$85** per SWU of non-DOE origin, unchanged since last month. Three SWU transactions, involving a total of approximately 210 thousand SWUs, are reported this month. Active secondary market SWU supply amounts to approximately 1.2 million SWUs, while active demand totals 220 thousand SWUs. The limited near-term SWU demand is for FY84 DOE origin SWUs.

Enrichment

The final version of the Utility Services enrichment contract appears to offer some attractive concessions to enrichment customers. Some of the terms are analyzed in this Report.

Germany

Nuclear utilities encountered an irritating setback when construction halted at Isar Unit 1.

Netherlands

A nationwide survey early this year discovered there is little active support among the public for nuclear power, but the response to the survey was very small.

ANNUAL REVIEW: 1983

Uranium Pricing

The uranium market recovered moderately but steadily into the third quarter of 1983, but by year-end prices had begun to decline.

Canada

The addition of Key Lake and the Stanleigh mine set Canada on a course to become the largest producing nation in the world.

Japan

Reductions to nuclear generating capacity forecasts led to some reevaluation of nuclear fuel cycle needs. Existing nuclear power plants set performance records.

South Africa

1983 U_3O_8 production rose despite low prices for gold and uranium.

United States

Four new units became operational and five approached that stage in 1983. However, high costs and regulatory problems hindered several nuclear power programs.

US Uranium Activities

Exploration and development continued to decline, as did US U_3O_8 production.

World U_3O_8 Production

Production worldwide declined from the 1982 level as the USA, Canada and Australia all decreased output.

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NUEXCO REPORT 186 FIGURES OF THE MONTH (January 31, 1984)	This Month (Report 186)	Last Month (Report 185)	12 Months Ago (Report 174)
Exchange Value[1]	20.50	22.00	21.50
Transaction Value[1]	23.05	23.85	19.35
Conversion Value[2]	0.60	0.60	1.20
Loan Use Charge Rate[3]	6%	6%	6%
Near-Term Uranium Supply[4]	4.2	5.9	9.4
Near-Term Uranium Demand[5]	0.5	2.5	4.7
Near-Term Supply-Demand Ratio	8.3	2.4	2.0
Recent Uranium Sales:			
Number of Transactions[6]	5	2	5
Quantity of material[7]	5.1-10.0	0.7-1.0	1.5-2.8
Nuexco SWU Values:[8]			
DOE origin, FY 84 delivery	105	105	
non-DOE origin, delivery within 15 months	85	85	
USDOE SWU Prices:			
USEC	135.00		
AFC	138.65	138.65	138.65
Requirements	149.85	149.85	149.85
Market Value of Enriched UF_6[9,10]:			
2.5 w/o U_{235}	586.10	603.70	711.17
3.0 w/o U_{235}	752.87	774.39	917.87
3.5 w/o U_{235}	922.95	948.22	1,128.71
4.0 w/o U_{235}	1,095.28	1,124.37	1,342.62

[1]US $ per pound U_3O_8 equivalent.
[2]US $ per pound U as UF_6.
[3]Per annum.
[4]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[5]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Uranium sales only; does not include loans, conversion, or SWU transactions.
[7]Millions of pounds U_3O_8 equivalent.
[8]US $ per SWU.
[9]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.20 percent tails assay. Calculations before 2/28/83 used the USDOE price for AFC SWUs. From 2/28/83 through 9/30/83, calculations used the Nuexco SWU Value for the relevant fiscal year. As of 10/31/83, calculations use the SWU value for DOE origin and FY 84 delivery.
[10]US $ per KgU as UF_6.

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